



City of Santa Barbara

Parks and Recreation Department

Memorandum

DATE: April 21, 2010

TO: Creeks Restoration/Water Quality Improvement Program
Citizen Advisory Committee

FROM: Cameron Benson, Creeks Restoration/Clean Water Manager

SUBJECT: Recommended Fiscal Year 2011 Budget – For Action

COMMITTEE DIRECTION

That the Committee recommend approval of the proposed Creeks Division Fiscal Year 2011 Budget to the Park and Recreation Commission and the City Council.

DISCUSSION

Each year the Creeks Advisory Committee (Committee) reviews the Creeks Division budget and makes recommendations to the Park and Recreation Commission and the City Council. The Committee also has a Budget Subcommittee that meets prior to budget development and after the proposed budget is prepared for public review. The budget subcommittee met January 29, 2010 and April 6, 2010 to review and discuss the proposed budget.

Due to current economic conditions, the City will be adopting a one-year, rather than the customary two-year, budget for Fiscal Year 2011 (FY 11). The attached spreadsheet provides detailed information for the FY 11 budget year.

Budget Summary

Total FY 11 proposed revenue is \$2,407,300, which includes Measure B revenue and interest. These proposed revenues are \$202,800 less than originally proposed in FY 10. Due to a significant increase in the capital program transfer, the Creeks Division is proposing to supplement the FY 11 revenues with \$1,702,488 from the Creeks Fund unappropriated reserve to balance the proposed \$4,109,788 budget.

The reserve balance at the end of FY 08 was approximately \$3.6 million. In the past, the Creeks Advisory Committee has recommended maintaining a reserve balance of approximately \$3 million to be used for capital projects, grant matches, and revenue shortfalls. As explained below, over \$200,000 of the reserve transfer will come from

funds currently included in the Creeks Division FY 10 capital program for a program that is being transferred to the operating budget. Moreover, additional cuts in expenditures and/or success with pending grant applications may reduce the amount of the final reserve transfer. Ultimately, the proposed FY 11 capital program transfer will leave the reserve balance near the Committee's recommended level.

Highlights of the proposed FY 11 Creeks Division budget include a substantial increase in funding for the capital program (from \$1,175,000 in FY 10 to \$1,900,000), transferring the Invasive Plant Removal Program from the FY 10 capital budget to the FY 11 operating budget (entirely funded by a year-end transfer of over \$200,000 from the FY 10 capital budget to the Creeks Fund reserve), and increased funding for large restoration project maintenance.

Although there is often overlap, the proposed expenditures, including allocations for the capital program, are allocated to projects and programs as follows: water quality – 44%, creek restoration – 43%, and community outreach and education – 13%.

Summary of Budget and Programmatic Changes

Capital Projects – The Committee reviewed and discussed the FY 2011 – 2016 Capital Program in September 2009. The proposed capital transfer for FY 11 is \$1,900,000, which represents a \$725,000 increase from FY 10. For FY 11, funding for the following capital projects is proposed:

- Laguna Channel Urban Runoff Treatment: \$300,000 (design/grant match)
- Catch Basin Filters/Debris Screens: \$150,000 (implementation/grant match)
- Mission Creek Barrier Removal: \$400,000 (grant matching funds)
- Storm Water Treatment Retrofit Projects: \$150,000 (design/grant match/construction)
- Mission Creek Restoration at Oak Park: \$250,000 (design/grant match/construction)
- Mission Lagoon Restoration: \$500,000 (planning/design)
- Andree Clark Bird Refuge Restoration: \$75,000 (planning)
- San Pascual Drain Treatment: \$50,000 (design/grant match/construction)
- Capital Replacement for Water Quality Facilities: \$25,000

Creeks Division Staff – The proposed FY 11 budget includes \$990,527 for salaries and benefits, which represents a \$40,600 increase from the FY 10 budget. The total proposed salaries and benefits cost does not include potential savings from unpaid furlough or other budget concessions. The proposed FY 11 budget reduces hourly salaries and benefits from \$50,000 to \$40,000. The hourly salaries and benefits will provide necessary funding for 1) part-time hourly staff to provide project management and support on capital projects, 2) part-time hourly student interns, and 3) part-time hourly interns from the City's Youth Apprentice Program.

Supplies and Contractual Services – The proposed FY 11 budget includes \$603,000 for supplies and contractual services, which represents a \$27,500 increase from FY 10. Specific recommended changes from FY 10 include:

- Increase funding by \$80,000 (from \$0 to \$80,000) for the Invasive Plant Removal Program. This program will be moved from the FY 10 capital budget to the FY 11 operating budget. Over \$210,000 will be transferred from the FY 10 capital budget to fund this program.
- Increase funding by \$7,000 (from \$98,000 to \$105,000) for major creek restoration project maintenance.
- Increase funding by \$5,000 (from \$55,000 to \$60,000) for water quality project maintenance.
- Decrease funding by \$25,000 (from \$75,000 to \$50,000) for the Creek Tree Program to reflect anticipated FY 11 program needs.
- Decrease funding by \$15,000 (from \$15,000 to \$0) for community information contracts such as public opinion surveys and data collection.
- Decrease funding by \$13,000 (from \$73,000 to \$60,000) for the Youth Watershed Education Program.
- Decrease funding by \$10,000 (from \$30,000 to \$20,000) for the next phase in preparing a draft storm water ordinance as required by the City's Storm Water Management Program.
- Decrease funding by \$1,500 (from \$6,500 to \$5,000) for the Creeks Division's Native Plant Nursery.

Professional Services – The proposed FY 11 budget includes \$165,000 for professional services, which represents no change from the FY 09 budget. The proposed budget includes a \$5,000 increase in water quality lab analysis funding, and a \$5,000 decrease for macro invertebrate studies.

Unappropriated Reserves

It is anticipated that at the end of FY 10, the Creeks Division unappropriated reserve balance will be approximately \$4,550,000. After transferring funds for the FY 11 Capital Program, the reserve balance will be approximately \$2,850,000.

Grants

During FY 10, the Creeks Division was awarded five grants that have been encumbered to the Creeks Division Capital Program, and will be funding projects in FY 11. These include:

- \$1,789,000 – State Water Resources Control Board (ARRA) for the installation of catch basin storm drain screens throughout the City
- \$1,652,197 – State Water Resources Control Board for the construction of the Upper Las Positas Creek Restoration and Storm Water Management Project

- \$27,000 – Water Environment Research Foundation for canine microbial source tracking
- \$250,000 – National Oceanic and Atmospheric Administration for construction of the Mission Creek Fish Passage Project at Tallant Road
- \$397,000 – Department of Fish and Game for construction of the Mission Creek Fish Passage Project at Tallant Road

The Creeks Division also has a number of grant applications pending that, if awarded, would provide significant funding for planned capital projects. Pending grant applications include:

- \$500,000 – State Water Resources Control Board for construction of a Storm Water Treatment Retrofit Project
- \$1,000,000 – National Oceanic and Atmospheric Administration for construction of Mission Creek Fish Passage at the CalTrans Channels
- \$1,000,000 Department of Fish and Game for construction of Mission Creek Fish Passage at the CalTrans Channels

cc: Nancy L. Rapp, Parks and Recreation Director
Jill E. Zachary, Assistant Parks and Recreation Director